

**REPORT OF THE AUDIT OF THE
HOPKINS COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2015**



**MIKE HARMON
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EXECUTIVE SUMMARY

AUDIT OF THE
HOPKINS COUNTY FISCAL COURT

June 30, 2015

The Auditor of Public Accounts has completed the audit of the Hopkins County Fiscal Court for fiscal year ended June 30, 2015.

We have issued an unmodified opinion, based on our audit on the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of Hopkins County Fiscal Court. In accordance with OMB Circular A-133, we have issued an unmodified opinion on the compliance requirements that are applicable to Hopkins County's major federal program: Community Development Block Grants (CFDA #14.228).

Financial Condition:

The Hopkins County Fiscal Court had total receipts of \$21,580,952 and disbursements of \$23,771,311 in fiscal year 2015. This resulted in a total ending fund balance of \$5,588,639, which is a decrease of \$1,309,734 from the prior year.

Report Comments:

- 2015-001 The Hopkins County Fiscal Court Did Not Follow The Local Government Economic Assistance Disbursement Requirements Per KRS 42.455
- 2015-002 The Hopkins County Fiscal Court Failed To Properly Advertise For Bids Per Bid Requirements
- 2015-003 The Hopkins County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement, Suspension, And Debarment; Real Property Acquisition And Relocation Assistance; And Special Tests And Provisions

Deposits:

The fiscal court deposits were insured and collateralized by bank securities.

CONTENTS

PAGE

INDEPENDENT AUDITOR'S REPORT.....	1
HOPKINS COUNTY OFFICIALS	4
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - REGULATORY BASIS	6
NOTES TO FINANCIAL STATEMENT	10
BUDGETARY COMPARISON SCHEDULES	25
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULES	31
SCHEDULE OF CAPITAL ASSETS	35
NOTES TO REGULATORY SUPPLEMENTARY INFORMATION - SCHEDULE OF CAPITAL ASSETS	36
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	39
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	40
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	43
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.....	47
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	53
APPENDIX A:	
CERTIFICATION OF COMPLIANCE - LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS	



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Matthew G. Bevin, Governor
William M. Landrum III, Secretary
Finance and Administration Cabinet
Honorable Donald E. Carroll, Hopkins County Judge/Executive
Members of the Hopkins County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of Hopkins County Fiscal Court, for the year ended June 30, 2015, and the related notes to the financial statement which collectively comprise the Hopkins County Fiscal Court's financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.



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Auditor's Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described more fully in Note 1, the financial statement is prepared by the Hopkins County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Hopkins County Fiscal Court as of June 30, 2015, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund balances of the Hopkins County Fiscal Court as of June 30, 2015, and its cash receipts and disbursements, for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Hopkins County Fiscal Court. The budgetary comparison schedules, capital asset schedule, and the Schedule of Expenditure of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the financial statement, however they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

To the People of Kentucky
 Honorable Matthew G. Bevin, Governor
 William M. Landrum III, Secretary
 Finance and Administration Cabinet
 Honorable Donald E. Carroll, Hopkins County Judge/Executive
 Members of the Hopkins County Fiscal Court

Other Matters (Continued)

Supplementary Information (Continued)

The accompanying budgetary comparison schedules, capital asset schedule, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules, capital asset schedule, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2016 on our consideration of the Hopkins County Fiscal Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hopkins County Fiscal Court's internal control over financial reporting and compliance.

Based on the results of our audit, we present the accompanying schedule of findings and questioned costs included herein, which discusses the following report comments:

- 2015-001 The Hopkins County Fiscal Court Did Not Follow The Local Government Economic Assistance Disbursement Requirements Per KRS 42.455
- 2015-002 The Hopkins County Fiscal Court Failed To Properly Advertise For Bids Per Bid Requirements
- 2015-003 The Hopkins County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement, Suspension, And Debarment; Real Property Acquisition And Relocation Assistance; And Special Tests And Provisions

Respectfully submitted,



Mike Harmon
 Auditor of Public Accounts

March 15, 2016

HOPKINS COUNTY OFFICIALS

For The Year Ended June 30, 2015

Fiscal Court Members:

Donald Carroll	County Judge/Executive
Karol Welch	Magistrate
Linda P. Todd	Magistrate
Vicki Dickerson Thomison	Magistrate
Jack Whitfield, Jr.	Magistrate
Billy N. Parrish	Magistrate
Charlie G. Beshears	Magistrate
Hannah Mayers	Magistrate

Other Elected Officials:

Byron Hobgood	County Attorney
Joe Blue	Jailer
Keenan Cloern	County Clerk
Karen McKnight	Circuit Court Clerk
Matt Sanderson	Sheriff
Pam Love	Property Valuation Administrator
Dennis Mayfield	Coroner

Appointed Personnel:

Cindy Jones	County Treasurer
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HOPKINS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2015

HOPKINS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2015

	Budgeted Funds		
	General Fund	Road Fund	Jail Fund
RECEIPTS			
Taxes	\$ 6,725,828	\$	\$
Licenses and Permits	68,435		
Intergovernmental	2,887,922	2,628,915	3,483,968
Charges for Services			195,899
Miscellaneous	261,031	26,024	178,484
Interest	6,524	783	579
Total Receipts	<u>9,949,740</u>	<u>2,655,722</u>	<u>3,858,930</u>
DISBURSEMENTS			
General Government	4,881,152		
Protection to Persons and Property	167,063		3,954,551
General Health and Sanitation	400		
Social Services			123,444
Recreation and Culture			
Roads		2,817,883	
Debt Service		105,990	810,786
Capital Projects	880	677,531	542,839
Administration	1,698,535	565,669	999,602
Total Disbursements	<u>6,748,030</u>	<u>4,167,073</u>	<u>6,431,222</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>3,201,710</u>	<u>(1,511,351)</u>	<u>(2,572,292)</u>
Other Adjustments to Cash (Uses)			
Borrowed Money		364,000	496,625
Transfers From Other Funds		1,100,000	2,125,000
Transfers To Other Funds	<u>(3,550,000)</u>		<u>(98,375)</u>
Total Other Adjustments to Cash (Uses)	<u>(3,550,000)</u>	<u>1,464,000</u>	<u>2,523,250</u>
Net Change in Fund Balance	(348,290)	(47,351)	(49,042)
Fund Balance - Beginning (Restated)	1,993,032	395,873	595,161
Fund Balance - Ending	<u>\$ 1,644,742</u>	<u>\$ 348,522</u>	<u>\$ 546,119</u>
Composition of Fund Balance			
Bank Balance	\$ 1,713,421	\$ 351,830	\$ 551,383
Plus: Deposits In Transit			
Less: Outstanding Checks	<u>(68,679)</u>	<u>(3,308)</u>	<u>(5,264)</u>
Fund Balance - Ending	<u>\$ 1,644,742</u>	<u>\$ 348,522</u>	<u>\$ 546,119</u>

The accompanying notes are an integral part of the financial statement.

HOPKINS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2015
(Continued)

Budgeted Funds		
Local Government Economic Assistance Fund	Local Government Economic Development Fund	Contingency Fund
\$	\$	\$
400		
2,230,327	439,188	30,875
195,726		
169,404		
995		5,589
<u>2,596,852</u>	<u>439,188</u>	<u>36,464</u>
500,092		
340,000	439,188	
1,488,881		
94,611		
976,268		
<u>364,926</u>	<u>439,188</u>	
<u>3,764,778</u>		
<u>(1,167,926)</u>		<u>36,464</u>
325,000		
<u>325,000</u>		
(842,926)		36,464
1,112,452		2,508,032
<u>\$ 269,526</u>	<u>\$ 0</u>	<u>\$ 2,544,496</u>
\$ 298,546	\$	\$ 2,544,496
<u>(29,020)</u>		
<u>\$ 269,526</u>	<u>\$ 0</u>	<u>\$ 2,544,496</u>

The accompanying notes are an integral part of the financial statement.

HOPKINS COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2015
(Continued)

	Unbudgeted Funds			
	General Obligation Bond Fund	Public Properties Corporation Fund	Jail Commissary Fund	Total Funds
RECEIPTS				
Taxes	\$	\$	\$	\$ 6,725,828
Licenses and Permits				68,835
Intergovernmental		1,512,450	15,726	13,229,371
Charges for Services			515,560	907,185
Miscellaneous				634,943
Interest	1	18	301	14,790
Total Receipts	<u>1</u>	<u>1,512,468</u>	<u>531,587</u>	<u>21,580,952</u>
DISBURSEMENTS				
General Government				5,381,244
Protection to Persons and Property				4,900,802
General Health and Sanitation				1,489,281
Social Services				218,055
Recreation and Culture			573,661	1,549,929
Roads				2,817,883
Debt Service	98,375	1,511,950		2,527,101
Capital Projects		16,510		1,237,760
Administration	20,024	500		3,649,256
Total Disbursements	<u>118,399</u>	<u>1,528,960</u>	<u>573,661</u>	<u>23,771,311</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(118,398)</u>	<u>(16,492)</u>	<u>(42,074)</u>	<u>(2,190,359)</u>
Other Adjustments to Cash (Uses)				
Borrowed Money	5,108,375			5,969,000
Bonds Refunded	(5,088,375)			(5,088,375)
Transfers From Other Funds	98,375			3,648,375
Transfers To Other Funds				(3,648,375)
Total Other Adjustments to Cash (Uses)	<u>118,375</u>			<u>880,625</u>
Net Change in Fund Balance	(23)	(16,492)	(42,074)	(1,309,734)
Fund Balance - Beginning (Restated)	23	163,281	130,519	6,898,373
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 146,789</u>	<u>\$ 88,445</u>	<u>\$ 5,588,639</u>
Composition of Fund Balance				
Bank Balance	\$	\$ 146,789	\$ 115,467	\$ 5,721,932
Deposits In Transit			4,866	4,866
Less Outstanding Checks			(31,888)	(138,159)
Ending Fund Balance	<u>\$ 0</u>	<u>\$ 146,789</u>	<u>\$ 88,445</u>	<u>\$ 5,588,639</u>

The accompanying notes are an integral part of the financial statement.

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENT**

NOTE 1.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	10
NOTE 2.	DEPOSITS.....	13
NOTE 3.	TRANSFERS	13
NOTE 4.	RECEIVABLE.....	13
NOTE 5.	LONG-TERM DEBT.....	14
NOTE 6.	COMMITMENTS AND CONTINGENCIES	16
NOTE 7.	COMMITMENT DEBT	17
NOTE 8.	EMPLOYEE RETIREMENT SYSTEM.....	18
NOTE 9.	DEFERRED COMPENSATION	20
NOTE 10.	HEALTH REIMBURSEMENT ACCOUNT/FLEXIBLE SPENDING ACCOUNT	20
NOTE 11.	INSURANCE	20
NOTE 12.	RELATED PARTY TRANSACTIONS	20
NOTE 13.	CONDUIT DEBT	21
NOTE 14.	PRIOR PERIOD ADJUSTMENTS.....	21

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT

June 30, 2015

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Hopkins County includes all budgeted and unbudgeted funds under the control of the Hopkins County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act as the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

B. Basis of Accounting

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the General Fund.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of receipts for this fund are reimbursements from the state and federal government, payments from other counties for housing prisoners, and transfers from the General Fund. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the General Fund.

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments.

Local Government Economic Development Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the General Fund.

Contingency Fund - The primary purpose of this fund is to set aside funds from general operations to act as a savings account for the fiscal court and for special projects when they arise.

Unbudgeted Funds

The fiscal court reports the following unbudgeted funds:

General Obligation Bond Fund - The purpose of this fund is to account for debt service requirements of the General Obligation Refunding Bond, Series 2005. The Department for Local Government does not require the fiscal court to report or budget this fund.

Public Properties Corporation Fund - The primary purpose of this fund is to account for the construction costs of the Judicial Center. This fund is also used to account for debt service requirements of the First Mortgage Revenue Bonds, Series 2010. The Department for Local Government does not require the fiscal court to report or budget this fund.

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit and to enhance the well-being of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Commissary Fund.

D. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information (Continued)

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Disbursements may not exceed budgeted appropriations at the activity level.

The State Local Finance Officer does not require the Jail Commissary Fund to be budgeted because the fiscal court does not approve the expenses of this fund.

The State Local Finance Officer does not require the General Obligation Bond Fund or the Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific payments to and from these funds annually.

E. Hopkins County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Hopkins County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of Hopkins County Fiscal Court.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

F. Deposits

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

G. Long-term Obligations

The fund financial statement recognizes bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as disbursements. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 2. Deposits

The fiscal court maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 41.240(4). As of June 30, 2015, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2015.

	General Fund	Jail Fund	Total Transfers In
Road Fund	\$ 1,100,000	\$	\$ 1,100,000
Jail Fund	2,125,000		2,125,000
Local Government Economic Assistance Fund	325,000		325,000
General Obligation Bond Fund		98,375	98,375
Total Transfers Out	<u>\$ 3,550,000</u>	<u>\$ 98,375</u>	<u>\$ 3,648,375</u>

Reason for transfers:

To move resources from and to the General Fund and other funds, for budgetary purposes, to the funds that will expend them.

Note 4. Receivable

The County loaned \$500,000 to the Hopkins County – Madisonville Public Library on January 7, 2014 for the purpose of making improvements to real estate. Terms of the agreement stipulate a 20-year repayment schedule at 1.175 percent interest. Records indicate Hopkins County – Madisonville Public Library is in substantial compliance with this requirement. As of June 30, 2015, principal balance due was \$475,000.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 5. Long-term Debt

A. General Obligation Refunding Bonds, Series 2005

The fiscal court issued obligations, dated June 1, 2005 and payable in 15 annual installments beginning February 1, 2006, and semi-annual interest payments on the first of February and August at varying rates from 3% to 4%. The fiscal court issued the bonds for the purpose of advanced refunding of all outstanding County of Hopkins, Kentucky General Obligation Bonds (Detention Facility Project), Series 2000 and paying the associated costs of issuing the bonds. On December 10, 2014, a lease agreement between Old National Bank and Hopkins County was executed relating to the current refunding of the outstanding \$5,110,000 General Obligation Bonds (Detention Facility Project). As of June 30, 2015, bonds outstanding were \$0.

B. First Mortgage Revenue Bonds (Judicial Center Project), Series 2010

On June 1, 2010, Hopkins County Public Properties Corporation issued \$19,410,000 of First Mortgage Revenue Bonds (Judicial Center Project), Series 2010, for the purpose of acquiring, constructing, and equipping a new Judicial Center. The bonds will mature on June 30, 2027. Interest is payable each June 1 and December 1. As of June 30, 2015, bonds outstanding were \$14,550,000. Future principal and interest requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2016	\$ 1,020,000	\$ 491,950
2017	1,045,000	466,450
2018	1,075,000	437,713
2019	1,105,000	405,463
2020	1,140,000	372,312
2021-2025	6,310,000	1,255,562
2026-2027	<u>2,855,000</u>	<u>172,400</u>
Totals	<u>\$ 14,550,000</u>	<u>\$ 3,601,850</u>

C. General Obligation Lease, Series 2014

On December 10, 2014 a lease agreement was entered into between Old National Bank (Lessor) and Hopkins County (Lessee) for the purpose of refinancing the Series 2005 General Obligation Refunding Bonds. In order to meet the outstanding bonds as they come due, the proceeds of the lease were used to establish a Redemption Fund in the amount of \$5,088,375.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 5. Long-term Debt (Continued)

C. General Obligation Lease, Series 2014 (Continued)

The lease provides that it will be in effect for a term commencing on December 10, 2014 and ending on February 1, 2020 at an annual interest rate of 1.49%. As of June 30, 2015, bonds outstanding were \$4,308,942. Future principal and interest requirements are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2016	\$ 835,000	\$ 64,219
2017	845,000	51,778
2018	865,000	39,187
2019	875,000	26,298
2020	888,942	13,261
Totals	<u>\$ 4,308,942</u>	<u>\$ 194,743</u>

D. Gradall Excavator

On July 31, 2014, the Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Leasing Trust Program in the sum of \$364,000 at a 2.445% fixed interest rate. The financing obligation was for the acquisition of a Gradall excavator. The maturity date of the obligation is August 20, 2017. The balance of the financing obligation as of June 30, 2015 was \$265,321. Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2016	\$ 121,140	\$ 5,134
2017	123,394	2,147
2018	20,787	64
Totals	<u>\$ 265,321</u>	<u>\$ 7,345</u>

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 5. Long-term Debt (Continued)

E. HVAC

On November 18, 2014, the Fiscal Court entered into a lease agreement with the Kentucky Association of Counties Leasing Trust Program as Administrator and PNC Equipment Finance, LLC as Lessor in the sum of \$495,000 at a 3.20% effective interest rate. The financing obligation was for acquisition, installation and equipping of a HVAC system. The maturity date of the obligation is June 20, 2025. The balance of the financing obligation as of June 30, 2015 was \$495,000. Annual debt service requirements to maturity are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2016	\$ 40,980	\$ 25,240
2017	45,746	13,861
2018	46,856	12,380
2019	47,993	10,865
2020	49,157	9,312
2021-2025	<u>264,268</u>	<u>21,916</u>
Totals	<u>\$ 495,000</u>	<u>\$ 93,574</u>

F. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 4,990,000	\$	\$4,990,000	\$	\$
Revenue Bonds	15,550,000		1,000,000	14,550,000	1,020,000
Financing Obligations		<u>5,969,000</u>	<u>899,737</u>	<u>5,069,263</u>	<u>997,120</u>
Total Long-term Debt	<u>\$ 20,540,000</u>	<u>\$ 5,969,000</u>	<u>\$ 6,889,737</u>	<u>\$ 19,619,263</u>	<u>\$ 2,017,120</u>

Note 6. Commitments and Contingencies

The County is involved in multiple lawsuits that arose from the normal course of doing business. While individually they may not be significant; in the aggregate, they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 7. Commitment Debt

A. Ambulance Service Contract

The Medical Center Ambulance Service, Inc. (MCAS) operates under a lease with Hopkins County. The term of the lease is for one year, and such lease is automatically renewed on a year-to-year basis unless terminated by one of the parties. Under the terms of the lease for the first year, the County is required to furnish the necessary number of ambulances required for the operation of the ambulance service and is to reimburse MCAS for the support of the County. MCAS has agreed to provide suitable and necessary ambulance service on a 24 hour basis to the residents of Hopkins County and to other persons requiring such services while in Hopkins County.

On January 1, 2012, the Hopkins County Fiscal Court (County) entered into a lease and contract with MCAS. The County agreed to furnish to MCAS, for the sum of one dollar per year, the existing inventory of fully serviceable ambulances. The term of the agreement is for a period of four years unless sooner cancelled or terminated as provided in the contract. This agreement shall be automatically extended for like periods of one year each, unless either party gives the other party 30 days written notice prior to the expiration of the current term. MCAS agreed to supply suitable and necessary ambulance service to the residents of Dawson Springs, Kentucky, at its Dawson Springs location and the remainder of Hopkins County, Kentucky through its Madisonville location. The County agreed to provide financial support, as budgeted by the Hopkins County Fiscal Court, which shall be no less than the current amount of \$200,000 annually, which shall be paid to MCAS in cash payments, not less frequently than quarterly payments \$50,000.

B. Hopkins County Regional Landfill

The Hopkins County Regional Landfill operates under a verbal agreement with Hopkins County. The term of the agreement is for one year, and it is automatically renewed on an annual basis unless terminated by one of the parties. Under the terms of the agreement, the Hopkins County Regional Landfill is to provide waste management services for the County and the citizens of Hopkins County, Kentucky. The Hopkins County Regional Landfill has also agreed to pay licensing fees to the County as mandated in Ordinance 2006-10. As of June 30, 2015, both parties were in compliance with this agreement.

C. South Main Sewer Project- Interlocal Cooperation Agreement

On December 23, 2009, Hopkins County (County) entered into an interlocal cooperation agreement with the City of Madisonville (City) for the construction, maintenance and operation of the South Main Sewer Project. The City has secured financing for this project from the Kentucky Infrastructure Authority in the form of an ARRA loan in the amount of \$3,800,000 bearing interest at the rate of two percent per annum to be repaid over a term of 20 years. The County has agreed to provide financial assistance to the City to help pay a portion of the debt service incurred by the City. The County has agreed to pay the City the sum of \$110,000 per year for a period of 20 years payable in equal semi-annual installments of \$55,000 on or before June 1 and December 1 of each year beginning May 15, 2010.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 8. Employee Retirement System

A. Plan Description

The fiscal court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan that covers all eligible regular full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute five percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute six percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 17.67 percent.

Hazardous covered employees are required to contribute eight percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute nine percent of their salary to be allocated as follows: eight percent will go to the member's account and one percent will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 34.31 percent.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute five percent (nonhazardous) and eight percent (hazardous) of their annual creditable compensation and one percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a four percent (nonhazardous) and seven and one-half percent (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

The county's contribution for FY 2013 was \$1,537,448, FY 2014 was \$1,523,045, and FY 2015 was \$1,418,548.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

CERS also provides post-retirement health care coverage as follows:

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 8. Employee Retirement System (Continued)

A. Plan Description (Continued)

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, such employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

B. Net Pension Liability

As promulgated by GASB Statement No. 68 the total pension liability for CERS was determined by an actuarial valuation as of June 30, 2014. The total net pension liability for all employers participating in CERS was determined by an actuarial valuation as of June 30, 2014, measured as of the same date and is as follows: non-hazardous \$3,244,377,000 and hazardous \$1,201,825,000, for a total net pension liability of \$4,446,202,000 as of June 30, 2014. Based on these requirements, Hopkins County's proportionate share of the net pension liability as of June 30, 2015 is:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Hazardous	\$ 5,201,000	\$ 4,658,000
Non-Hazardous	<u>6,777,000</u>	<u>5,990,000</u>
Totals	<u>\$ 11,978,000</u>	<u>\$ 10,648,000</u>

The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kyret.ky.gov or can be obtained as described in the paragraph above.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 9. Deferred Compensation

In February 2000, the Hopkins County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

Note 10. Health Reimbursement Account/Flexible Spending Account

The Hopkins Fiscal Court established a flexible spending account to provide employees an additional health benefit. The County has contracted with a third-party administrator to administer the plan. The plan provides a debit card to each eligible employee to pay for qualified medical expenses. Employees may also contribute additional pre-tax funds through payroll deduction.

Note 11. Insurance

For the fiscal year ended June 30, 2015, Hopkins County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 12. Related Party Transactions

The Hopkins County Sheriff sits on the board of directors for Manufacturing Supply, Inc. The Sheriff's father owns Manufacturing Supply, Inc. The Fiscal Court spent \$7,663 with Manufacturing Supply, Inc., in Fiscal Year Ending June 30, 2015. Since the Sheriff came into office, the County has spent \$3,024.

HOPKINS COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2015
(Continued)

Note 13. Conduit Debt

From time to time the county has issued bonds to provide financial assistance to various entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Hopkins County Fiscal Court's name as issuer, the Fiscal Court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the Fiscal Court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement.

Note 14. Prior Period Adjustments

	Jail Commissary Fund
Ending Cash Balance Prior Year	\$ 130,185
Adjustments:	
Prior Year Voided Checks	<u>334</u>
Beginning Cash Balance Restated	<u><u>\$ 130,519</u></u>

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HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2015

HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2015

	GENERAL FUND			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Taxes	\$ 6,501,000	\$ 6,501,000	\$ 6,725,828	\$ 224,828
Licenses and Permits	73,000	73,000	68,435	(4,565)
Intergovernmental	3,080,450	3,080,450	2,887,922	(192,528)
Miscellaneous	126,100	126,100	261,031	134,931
Interest	6,000	6,000	6,524	524
Total Receipts	9,786,550	9,786,550	9,949,740	163,190
DISBURSEMENTS				
General Government	5,350,884	5,390,484	4,881,152	509,332
Protection to Persons and Property	250,585	250,585	167,063	83,522
General Health and Sanitation	400	400	400	
Capital Projects	15,000	15,000	880	14,120
Administration	2,184,364	2,144,764	1,698,535	446,229
Total Disbursements	7,801,233	7,801,233	6,748,030	1,053,203
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	1,985,317	1,985,317	3,201,710	1,216,393
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	(3,985,317)	(3,985,317)	(3,550,000)	435,317
Total Other Adjustments to Cash (Uses)	(3,985,317)	(3,985,317)	(3,550,000)	435,317
Net Change in Fund Balance	(2,000,000)	(2,000,000)	(348,290)	1,651,710
Fund Balance Beginning	2,000,000	2,000,000	1,993,032	(6,968)
Fund Balance - Ending	\$ 0	\$ 0	\$ 1,644,742	\$ 1,644,742

HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

ROAD FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 3,085,005	\$ 3,085,005	\$ 2,628,915	\$ (456,090)
Miscellaneous	1,500	1,500	26,024	24,524
Interest	1,000	1,000	783	(217)
Total Receipts	<u>3,087,505</u>	<u>3,087,505</u>	<u>2,655,722</u>	<u>(431,783)</u>
DISBURSEMENTS				
Roads	3,164,958	3,170,558	2,817,883	352,675
Debt Service	128,000	128,000	105,990	22,010
Capital Projects	850,000	850,000	677,531	172,469
Administration	723,500	717,900	565,669	152,231
Total Disbursements	<u>4,866,458</u>	<u>4,866,458</u>	<u>4,167,073</u>	<u>699,385</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(1,778,953)</u>	<u>(1,778,953)</u>	<u>(1,511,351)</u>	<u>267,602</u>
Other Adjustments to Cash (Uses)				
Borrowed Money			364,000	364,000
Transfers From Other Funds	<u>1,378,953</u>	<u>1,378,953</u>	<u>1,100,000</u>	<u>(278,953)</u>
Total Other Adjustments to Cash (Uses)	<u>1,378,953</u>	<u>1,378,953</u>	<u>1,464,000</u>	<u>85,047</u>
Net Change in Fund Balance	(400,000)	(400,000)	(47,351)	352,649
Fund Balance Beginning	<u>400,000</u>	<u>400,000</u>	<u>395,873</u>	<u>(4,127)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 348,522</u>	<u>\$ 348,522</u>

HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts, (Budgetary Basis)	Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental	\$ 3,475,800	\$ 3,475,800	\$ 3,483,968	\$ 8,168
Charges for Services	199,100	199,100	195,899	(3,201)
Miscellaneous	132,300	130,675	178,484	47,809
Interest	500	500	579	79
Total Receipts	<u>3,807,700</u>	<u>3,806,075</u>	<u>3,858,930</u>	<u>52,855</u>
DISBURSEMENTS				
Protection to Persons and Property	4,152,917	4,202,917	3,954,551	248,366
Social Services	380,000	380,000	123,444	256,556
Debt Service	957,000	858,625	810,786	47,839
Capital Projects			542,839	(542,839)
Administration	1,212,500	1,162,500	999,602	162,898
Total Disbursements	<u>6,702,417</u>	<u>6,604,042</u>	<u>6,431,222</u>	<u>172,820</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,894,717)</u>	<u>(2,797,967)</u>	<u>(2,572,292)</u>	<u>225,675</u>
Other Adjustments to Cash (Uses)				
Borrowed Money		1,625	496,625	495,000
Transfers From Other Funds	2,269,717	2,269,717	2,125,000	(144,717)
Transfers To Other Funds		(98,375)	(98,375)	
Total Other Adjustments to Cash (Uses)	<u>2,269,717</u>	<u>2,172,967</u>	<u>2,523,250</u>	<u>350,283</u>
Net Change in Fund Balance	(625,000)	(625,000)	(49,042)	575,958
Fund Balance Beginning	<u>625,000</u>	<u>625,000</u>	<u>595,161</u>	<u>(29,839)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 546,119</u>	<u>\$ 546,119</u>

HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
License and Permits	\$ 3,000	\$ 3,000	\$ 400	\$ (2,600)
Intergovernmental	3,630,000	3,630,000	2,230,327	(1,399,673)
Charges for Services	205,200	205,200	195,726	(9,474)
Miscellaneous	41,800	41,800	169,404	127,604
Interest	1,000	1,000	995	(5)
Total Receipts	3,881,000	3,881,000	2,596,852	(1,284,148)
DISBURSEMENTS				
General Government	952,822	802,822	500,092	302,730
Protection to Persons and Property	340,000	340,000	340,000	
General Health and Sanitation	1,578,908	1,644,618	1,488,881	155,737
Social Services	110,194	110,194	94,611	15,583
Recreation and Culture	867,223	1,017,223	976,268	40,955
Roads	585,000	585,000		585,000
Capital Projects	100,000	100,000		100,000
Administration	483,500	417,790	364,926	52,864
Total Disbursements	5,017,647	5,017,647	3,764,778	1,252,869
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(1,136,647)	(1,136,647)	(1,167,926)	(31,279)
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	336,647	336,647	325,000	(11,647)
Total Other Adjustments to Cash (Uses)	336,647	336,647	325,000	(11,647)
Net Change in Fund Balance	(800,000)	(800,000)	(842,926)	(42,926)
Fund Balance Beginning	800,000	800,000	1,112,452	312,452
Fund Balance - Ending	\$ 0	\$ 0	\$ 269,526	\$ 269,526

HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 439,188	\$ (560,812)
Total Receipts	1,000,000	1,000,000	439,188	(560,812)
DISBURSEMENTS				
Protection to Persons and Property	1,000,000	1,000,000	439,188	560,812
Total Disbursements	1,000,000	1,000,000	439,188	560,812
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance Beginning				
Fund Balance - Ending	\$ 0	\$ 0	\$ 0	\$ 0

HOPKINS COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015
(Continued)

CONTINGENCY FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 30,875	\$ 30,875	\$ 30,875	\$
Interest	4,200	4,200	5,589	1,389
Total Receipts	35,075	35,075	36,464	1,389
DISBURSEMENTS				
Administration	2,543,075	2,543,075		2,543,075
Total Disbursements	2,543,075	2,543,075		2,543,075
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(2,508,000)	(2,508,000)	36,464	2,544,464
Net Change in Fund Balance	(2,508,000)	(2,508,000)	36,464	2,544,464
Fund Balance Beginning	2,508,000	2,508,000	2,508,032	32
Fund Balance - Ending	\$ 0	\$ 0	\$ 2,544,496	\$ 2,544,496

HOPKINS COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2015

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Disbursements may not exceed budgeted appropriations at the activity level.

Note 2. Excess of Disbursements Over Appropriations

Jail Fund Capital Projects exceeded budgeted appropriations by \$542,839.

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HOPKINS COUNTY
SUPPLEMENTARY SCHEDULE
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2015

HOPKINS COUNTY
SCHEDULE OF CAPITAL ASSETS
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2015

The fiscal court reports the following schedule of capital assets:

	Beginning Balance (Restated)	Additions	Deletions	Ending Balance
Land	\$ 1,596,564	\$	\$	\$ 1,596,564
Construction In Progress	1,614,998	861,926		2,476,924
Buildings	35,101,315			35,101,315
Equipment	5,112,550	1,191,343	625,195	5,678,698
Vehicles	2,744,389	181,401	258,175	2,667,615
Infrastructure	11,064,838	532,055		11,596,893
Jail Commissary	184,928			184,928
 Total Capital Assets	 <u>\$ 57,419,582</u>	 <u>\$ 2,766,725</u>	 <u>\$ 883,370</u>	 <u>\$ 59,302,937</u>

Note: Auditor adjusted Beginning Balance of Equipment by \$15,506 and Vehicles \$(27,508) for prior year errors. Auditor also adjusted Beginning Balance of Construction In Progress by \$1 due to rounding.

HOPKINS COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - SCHEDULE OF CAPITAL ASSETS

June 30, 2015

Note 1. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	\$ 12,500	10-60
Buildings	25,000	10-75
Building Improvements	25,000	10-75
Furniture and Fixtures	20,000	5-25
Machinery and Equipment	20,000	5-25
Vehicles	20,000	3
Infrastructure	20,000	10-50

HOPKINS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

HOPKINS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2015

Federal Grantor CFDA #	Program Title	Pass-Through Grantor's Number	Expenditures
<u>U. S Department of Housing and Urban Development</u>			
<i>Passed-Through State Department for Local Government:</i>			
14.23	Community Development Block Grants/State's Program	12-013	** \$ 439,188
Total U.S. Department of Housing and Urban Development			439,188
<u>U.S. Department of Justice</u>			
<i>Passed-Through State Department of Corrections:</i>			
16.83	Jail Inmate Reentry Program	2013-RW-BX-0009	123,444
Total U.S. Department of Justice			123,444
<u>U.S. Department of Homeland Security</u>			
<i>Passed-Through State Department of Military Affairs:</i>			
97.04	Emergency Management Performance Grants	PO20951500006543	26,415
Total U.S. Department of Homeland Security			26,415
Total Expenditures of Federal Awards			\$ 589,047

**Tested as Major Program or Cluster

HOPKINS COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Year Ended June 30, 2015

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Hopkins County, Kentucky and is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Government Accounting Standards Board. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 - Determination of Major Program

The Type A program for the fiscal court is any program for which total expenditures of federal awards exceed \$300,000 for fiscal year 2015 or were deemed high risk. There was one Type A program. The major program tested was: CFDA # 14.228 Community Development Block Grants.

Note 3 - Noncash Expenditures

There were no noncash expenditures of federal awards for fiscal year 2015.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Donald E. Carroll, Hopkins County Judge/Executive
Members of the Hopkins County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards***

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Hopkins County Fiscal Court for the fiscal year ended June 30, 2015 and the related notes to the financial statement which collectively comprise the Hopkins County Fiscal Court's financial statement and have issued our report thereon dated March 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Hopkins County Fiscal Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Hopkins County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hopkins County Fiscal Court's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hopkins County Fiscal Court's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the schedule of findings and questioned costs as items 2015-001 and 2015-002.

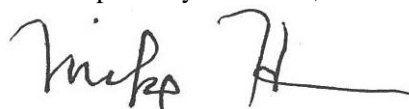
County Judge/Executive's Responses to Findings

The Hopkins County Judge/Executive's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. The County Judge/Executive's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike H", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

March 15, 2016

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Donald E. Carroll, Hopkins County Judge/Executive
Members of the Hopkins County Fiscal Court

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With OMB Circular A-133

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Hopkins County Fiscal Court's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Hopkins County Fiscal Court's major federal programs for the year ended June 30, 2015. The Hopkins County Fiscal Court's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Hopkins County Fiscal Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Hopkins County Fiscal Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Hopkins County Fiscal Court's compliance with those requirements.



Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With OMB Circular A-133
(Continued)

Opinion on Each Major Federal Program

In our opinion, the Hopkins County Fiscal Court complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the compliance requirements referred to above that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-003. Our opinion on each major federal program is not modified with respect to this matter.

The Hopkins County Judge/Executive's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Hopkins County Judge/Executive's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Hopkins County Fiscal Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Hopkins County Fiscal Court's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hopkins County Fiscal Court's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-003 to be a material weakness.

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With OMB Circular A-133
(Continued)

Report on Internal Control over Compliance (Continued)

The Hopkins County Judge/Executive's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Hopkins County Judge/Executive's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mike H", with a long horizontal stroke extending to the right.

Mike Harmon
Auditor of Public Accounts

March 15, 2016

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HOPKINS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2015

HOPKINS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2015

Section I: Summary of Auditor's Results

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Is any noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Are any material weaknesses identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are any significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any audit findings disclosed that are required to be reported in accordance with <u>U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, Section .510(a)</u> ?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Identification of major programs:

CFDA Numbers and Name of Federal Program or Cluster

14.228 Community Development Block Grants

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Is the auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

HOPKINS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2015
(Continued)

Section II: Findings - Financial Statement Audit

State Laws And Regulations

2015-001 The Hopkins County Fiscal Court Did Not Follow The Local Government Economic Assistance Disbursement Requirements Per KRS 42.455

The Fiscal Court did not spend 30% of the Coal Producing Local Government Economic Assistance (LGEA) receipts for the maintenance of coal haul roads. This noncompliance was caused by a lack of oversight by the Hopkins County officials. The Fiscal Court budgeted disbursements of the appropriate amounts to be spent on coal haul road maintenance; however, the funds available in this budgeted account were never spent. The Fiscal Court spent \$220,361 from the Road Fund on the maintenance of coal haul roads, but the 30% that should have been spent was \$518,588, leaving a shortage of \$298,227. Additionally, since the Fiscal Court spent more out of the LGEA Fund for the other priority categories, there is only \$269,526 left in the LGEA Fund as of June 30, 2015. By not using LGEA Coal Producing Funds in the manner in which they are meant to be used, adequate infrastructure may not be available for the coal industry, and it could reduce future revenues for the county. LGEA Coal Producing Funds play a fundamental part in maintaining roads that are used for the transportation of coal. This money is set aside by the statute to ensure certain roads are in good condition to provide an efficient mode of transportation for the coal industry and to promote new industry in the affected area. KRS 42.455(2) specifically prohibits the expenditure of LGEA Funds for the administration of government. Grants obtained under this program shall be used for priority expenditures. Of the coal producing funds received by the Fiscal Court, KRS 42.455(2) requires that 30% of the money “shall be spent on the coal haul road system.” We recommend the Fiscal Court follow the guidelines set forth in KRS 42.455 when spending LGEA program funds and ensure that appropriate actions are taken to budget and record these disbursements correctly.

County Judge/Executive Donald Carroll's Response: Failed to transfer funds from General Fund to increase LGEA balance

2015-002 The Hopkins County Fiscal Court Failed To Properly Advertise For Bids Per Bid Requirements

The Hopkins County Fiscal Court failed to properly advertise for bids prior to purchasing a 2015 Link-Belt Excavator and a 2014 GMC Savana. The 2015 Link-Belt Excavator was purchased from a company at the state contract price; however, this company was not a state contract vendor. The 2014 GMC Savana was purchased to replace a vehicle at the jail. The original price of the GMC Savana was \$26,500; however, the fiscal court traded-in a 2006 Ford Econoline with a trade-in value of \$6,700 to bring the sale price of the GMC Savana to \$19,999 after license and processing fees. Since the sale price after trade-in was \$19,999, the fiscal court incorrectly thought that this item did not need to be bid. The Fiscal Court's failure to properly bid the items mentioned above caused the county to be in violation of KRS 424.260. Per KRS 424.260, “Except where a statute specifically fixes a larger sum as the minimum for a requirement of advertisement for bids, no city, county, or district, or board or commission of a city of county, or sheriff or county clerk, may make a contract, lease, or other agreement for materials, supplies except for perishable meat, fish, and vegetables, equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (\$20,000) without first making newspaper advertisements for bids.” We recommend that the Fiscal Court comply with KRS 424.260 and properly advertise and award bids for all purchases over \$20,000 or purchase items from state contract vendors.

County Judge/Executive Donald Carroll's Response: Bid procedure has been changed to comply with policy.

HOPKINS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2015
(Continued)

Section III: Findings And Questioned Costs - Major Federal Awards Program Audit

2015-003 The Hopkins County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement, Suspension, And Debarment; Real Property Acquisition And Relocation Assistance; And Special Tests And Provisions

Federal Program: CFDA # 14.228

Award Number and Year: 12-013

Name of Federal Agency: U.S. Department of Housing and Urban Development

Pass-Through Agency: Kentucky Department for Local Government

Compliance Requirements: Procurement, Suspension and Debarment; Real Property Acquisition and Relocation Assistance; and Special Tests and Provisions

Type of Finding: Internal Control Deficiency and Non-Compliance

Amount of Questioned Costs: \$9,305

The Hopkins County Fiscal Court (Fiscal Court) has a lack of adequate internal controls over federal compliance requirements. The Fiscal Court hired the Pennryle Area Development District (PADD) to act as grant administrator and placed complete reliance upon PADD for ensuring compliance with federal requirements.

OMB A-133 section 300 (b) states that it is the Auditee's responsibility to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

The Fiscal Court relied solely on PADD to monitor compliance requirements over Procurement, Suspension and Debarment; Real Property Acquisition and Relocation Assistance; and Special Tests and Provisions. The Fiscal Court had no controls in place to ensure compliance requirements were met and had little to no knowledge of what was being done by PADD to ensure compliance.

The following non-compliances occurred due to no internal controls or oversight by the Fiscal Court:

- There is \$9,305 of questioned costs. There was no documentation that change orders were approved by the inspector or were necessary to meet building code as required by the grant.
- Contracts were improperly awarded. The DLG CDBG manual Section 4-F Step 6 requires that "After review of the bids, the grantee must award the contract to the lowest responsible and responsive bidder if his/her bid is within the budgeted amount, preferably within 30 days of the opening." Three of six projects bid were not awarded to the lowest qualified bidder. PADD allowed the Fiscal Court to use a bid pool and award bids at will. PADD stated there were issues with the vendor who had placed most of the low bids; however, PADD recommended that vendor be awarded another contract at a later date.
- A search for debarred or suspended vendors was not documented until after the start of the project.

Recommendation: We recommend that the Fiscal Court implement adequate internal controls to ensure federal compliance requirements are met.

County Judge/Executive Donald Carroll's Response: PADD will be contacted to implement a monitoring system with county oversight.

Section IV: Summary Schedule of Prior Audit Findings (FEDERAL FINDINGS ONLY)

None.

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**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENTS PROGRAMS**

HOPKINS COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2015**

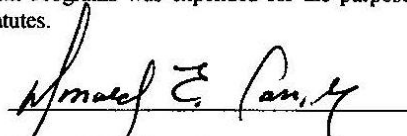
CERTIFICATION OF COMPLIANCE

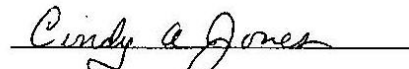
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

HOPKINS COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2015

The Hopkins County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program and Development Programs was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.


County Judge/Executive


County Treasurer

